

# Senate Study Bill 1294

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CO=CHAIRPERSON ZIEMAN)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act authorizing the rebate of state sales tax to the owner or  
2 operator of a sanctioned automobile racetrack facility.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 3065XC 81  
5 mg/cf/24

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1 1 Section 1. FINDINGS. The general assembly finds that a  
1 2 nationally sanctioned automobile racetrack facility in Iowa  
1 3 would result in a substantial economic benefit to the state  
1 4 and would offer thousands of spectators the opportunity to  
1 5 experience and discover Iowa.  
1 6 The general assembly further finds that the development of  
1 7 the racetrack facility and surrounding entertainment complex  
1 8 would enhance the economic development of the area through an  
1 9 increase in tourism.  
1 10 The general assembly further finds that the rebate of state  
1 11 sales tax collected at the racetrack facility and  
1 12 entertainment complex to assist in the development of such  
1 13 facility and complex would further tourism and is a public  
1 14 purpose for which state funds may be used.  
1 15 Sec. 2. Section 423.4, Code 2005, is amended by adding the  
1 16 following new subsection:  
1 17 NEW SUBSECTION. 4. a. For purposes of this subsection:  
1 18 (1) "Automobile racetrack facility" means a sanctioned  
1 19 automobile racetrack facility located as part of a racetrack  
1 20 and entertainment complex located in a city with a population  
1 21 of at least fourteen thousand five hundred but not more than  
1 22 sixteen thousand five hundred residents, which city is located  
1 23 in a county with a population of at least thirty-five thousand  
1 24 but not more than forty thousand residents.  
1 25 (2) "Owner or operator" means a for-profit entity that is  
1 26 the owner or operator of an automobile racetrack facility and  
1 27 that is primarily a promoter of motor vehicle races.  
1 28 (3) "Population" means the population based upon the 2000  
1 29 certified federal census.  
1 30 b. The owner or operator of an automobile racetrack  
1 31 facility may apply to the department for a rebate of sales tax  
1 32 imposed and collected by retailers upon sales of any goods,  
1 33 wares, merchandise, or services furnished to purchasers at the  
1 34 automobile racetrack facility.  
1 35 c. The rebate may be obtained only in the following  
2 1 amounts and manner and only under the following conditions:  
2 2 (1) On forms furnished by the department within the time  
2 3 period provided by the department by rule, which time period  
2 4 shall not be longer than quarterly.  
2 5 (2) The owner or operator shall provide information as  
2 6 deemed necessary by the department.  
2 7 (3) The transactions for which sales tax was collected and  
2 8 the rebate is sought occurred on or after January 1, 2006, but  
2 9 before January 1, 2016. However, not more than twelve million  
2 10 five hundred thousand dollars in total rebates shall be  
2 11 provided pursuant to this subsection.  
2 12 d. To assist the department in determining the amount of  
2 13 the rebate, the owner or operator shall identify to the  
2 14 department retailers located at the automobile racetrack  
2 15 facility who will be collecting sales tax. The department  
2 16 shall verify such identity and shall establish a separate

2 17 automobile racetrack facility rebate account in the state  
2 18 treasury. The department shall deposit into the rebate  
2 19 account all sales taxes received from the identified retailers  
2 20 located at the automobile racetrack facility. The moneys in  
2 21 the rebate account are appropriated to the department for  
2 22 disbursement as provided in this subsection. For purposes of  
2 23 this subsection, advance ticket and admissions sales shall be  
2 24 considered occurring at the automobile racetrack facility  
2 25 regardless of where the transactions actually occur.

2 26 e. Upon determining that the conditions and requirements  
2 27 of this subsection and the department are met, the department  
2 28 shall issue a warrant to the owner or operator in the amount  
2 29 equal to the balance in the rebate account as of the end of  
2 30 the month preceding the month the application for a rebate was  
2 31 received.

2 32 f. Only the state sales tax is subject to rebate. Any  
2 33 local option taxes paid and collected shall not be subject to  
2 34 rebate under this subsection.

2 35 g. Any moneys remaining in the rebate account upon the  
3 1 repeal of this subsection, as provided in paragraph "h", shall  
3 2 be transferred to the general fund of the state.

3 3 h. This subsection is repealed June 30, 2016, or thirty  
3 4 days following the date on which twelve million five hundred  
3 5 thousand dollars in total rebates have been provided,  
3 6 whichever is the earlier.

#### 3 7 EXPLANATION

3 8 This bill authorizes the department of revenue to rebate  
3 9 sales tax collected by retailers on purchases made at an  
3 10 automobile racetrack facility. To be eligible for the rebate  
3 11 the facility must be located in a city, with a population  
3 12 between 14,500 and 16,500, which is located in a county with a  
3 13 population between 35,000 and 40,000. The person eligible to  
3 14 receive the rebate is the owner or operator of the sanctioned  
3 15 automobile racetrack facility.

3 16 The rebate of sales tax is only of the sales tax collected  
3 17 on transactions occurring on or after January 1, 2006, and  
3 18 before January 1, 2016.

3 19 The rebate only applies to the state sales tax collected  
3 20 and not to any local option sales tax and is limited to a  
3 21 total of \$12.5 million in rebates.

3 22 The rebate provision is repealed June 30, 2016, or when  
3 23 \$12.5 million has been rebated, whichever occurs earlier.

3 24 LSB 3065XC 81

3 25 mg:nh/cf/24